



LITERATURE KEY FINDINGS

Attracting and Retaining Generation X, Baby Boomer, and Mature Employees

Definition: Generation X

Generation X typically includes people born between 1965 and 1978, making them between 25 and 38 years old in 2003. The group includes more than 45 million Americans and is also known as Baby Busters or Xers.

Nancy Pekala, "Conquering the Generational Divide," *Journal of Property Management* (Nov/Dec 2001).

Recommended Reading

Corporate Leadership Council, *The Compelling Offer: Understanding the Career Decisions of Generation X* (April 1999).

GENERATION X

Recruitment

- Previous Council research indicates that leadership development programs can be used as recruiting tools for Generation X and Y employees. Aspects of successful programs include: providing the young workers with access to senior-level executives, informal sessions such as brown-bag lunches, formal mentoring, guest speakers, and rotational assignments.¹
- Because Generation X represents one of the most diverse workforces in United States' history with regard to gender, ethnicity, and religion, companies advertise their efforts and commitment to diversity for Generation X applicants.²
- Generation X and Y employees are most attracted to positions and companies that provide the following opportunities:^{3,4}
 - **Independent Health Care**—Deductible plans in which employees can adjust the options to fit their individual lifestyles
 - **Mentoring**—Crucial to development and supportive work environment, Generation X employees typically consider this a non-negotiable demand
 - **Technical Training**—Technical training and developmental opportunities that teach employees "marketable" skills
 - **Time**—Favoring higher quality of life over higher salaries, leave options, job share, and flexible working arrangements are key factors in the employment decision of Generation X employees

Retention

- While Generation X employees desire a competitive salary and benefits, they often will stay with an employer because of non-financial incentives, including:^{5,6,7,8}
 - Being promoted based on performance, regardless of age or tenure
 - Enjoying a cordial and mutually beneficial relationship with their managers
 - Extracurricular activities such as scavenger hunts and rafting trips
 - Flexible benefits, including adoption assistance, childcare and eldercare, full medical coverage, on-site employee assistance programs, and sabbatical leave
 - Flexible working hours
 - Innovative, profitable, and understandable 401(K) savings plans
 - Involved in decision-making process
 - Mentoring programs
 - Responsibility for creative projects
 - Team-based work environments
 - Variable compensation, such as shorter pay increase cycles, team-based rewards, and employee ownership plans

Companies have developed numerous options to keep their younger employees engaged, such as flexible working hours, mentoring programs, and challenging assignments.

GENERATION X (CONTINUED)

Pros and Cons of Employing Members of Generation X

- Though the size and diversity of the Generation X workforce defies labeling the group as a homogenous body, several employment characteristics are evident in a majority of Generation Xers:^{9,10,11}
 - Are mobile and flexible workers
 - Are computer savvy
 - Desire immediate feedback
 - Desire honesty
 - Dislike being over-managed or receiving disparaging comments
 - Enjoy giving back to their community
 - Enjoy variety
 - Learn visually and need visual stimulation
 - Like to learn by doing
 - Prefer casual style of dress
 - Tend to focus on results
 - Want work to be fun
- Two points for employers to note regarding Generation X preferences are:
 - Motivated by professional interests rather than company interests
 - Require signs of employer commitment to develop loyalty
- Generation X (and Y) are entrepreneurial in style, thrive on diversity and high levels of responsibility, and are constantly looking for channels to allow for creative input. If their employers do not provide them with a workplace that exhibits these characteristics, they will quickly move on.¹²

Benefits Information

- As many of the pros and cons indicate, companies need to restructure their benefits packages in order to accommodate Generation X employees. Research from *Human Capital Practice* has found that younger employees look for the following in a benefits package:¹³
 - Flexible and portable benefit packages employees can take with them from one employer to the next
 - 401(k) savings plans rather than traditional pensions
 - Flexible health insurance options that can keep costs down for those who are relatively healthy and need few services
 - Assistance in repayment of student loans
- A Corporate Leadership Council study of 5,887 employees of all ages across several industries reveals that while Generation X employee values may be consistent with those of older employees, two values that distinguish Generation X employees include:¹⁴
 - **Child Care**—Favored *more* by Generation X employees
 - **Stock options**—Favored *less* by Generation X employees

Generation X employees tend to prefer flexible and family-friendly benefits as opposed to tradition stock options and pensions.

Definition: Baby Boomer

The baby boomer population encompasses those individuals who were born between 1946 and 1964, or are currently between the age of 39 and 57. This population segment constitutes the majority of the workforce with 73.2 million employees.

Nancy Pekala, "Conquering the Generational Divide."

Recommended Reading

Lynne Lancaster, David Stillman, & Harvey MacKay,
When Generations Collide: Who They Are. Why They Clash. And How to Solve the Generational Puzzle at Work,
(February 2002).

Available: www.amazon.com

BABY BOOMERS**Recruitment**

- Research from the *American Association of Retired Persons* (AARP) shows that baby boomers, who comprise the aging segment of the workforce, have a different collective attitude toward retirement compared to past generations. According to AARP's 1998 survey entitled *Baby Boomers Look Toward Retirement*, boomers plan to do the following upon their retirement:¹⁵
 - Continue to work in some capacity – **80 percent**
 - Expect to work part-time for the interest and enjoyment that staying active provides – **35 percent**
 - Will seek part-time work to augment their income – **23 percent**
 - Plan to start a business – **17 percent**
 - Will seek full-time employment – **5 percent**
 - Expect not to work at all in their retirement years – **16 percent**

Retention

- Listed below are a number of gestures that motivate baby boomers, and also make them feel comfortable:¹⁶
 - Provide public recognition
 - Offer them a chance to prove themselves and their worth
 - Give them perks with status, like an expense account for first-class travel
 - Assist them in gaining name recognition throughout the company
 - Assist in providing them the opportunity to be quoted in an industry journal
 - Ask for their input
 - Get their consensus
 - Reward their work ethic and long hours
- **MITRE Corporation** enables older employees to stay in the workforce not only through phased retirement, part-time work and sabbaticals, but also through its "Reserves at the Ready" program. The program allows employees with at least 10 years of company service to become on-call employees staffing projects throughout the corporation. This enables older employees to mentor younger workers and pass along technical expertise and in-depth knowledge of agencies involved with **MITRE**. Reserves include those experienced in technical, administrative, and secretarial positions.¹⁷
- Baby boomers are often considered to be on a "quest" for new responsibilities and for meaning in their lives. They seek opportunities that may be more satisfying emotionally than financially, such as the chance to mentor or try other work. To feed this need, employers must work to help their older employees to grow.¹⁸

Pros and Cons of Baby Boomers

- Members of the baby boomer generation hold the following workplace values and beliefs:¹⁹
 - Value teamwork and duty
 - Approach work from a process-oriented perspective
 - Enjoy group discussions
 - Believe achievement comes after paying one's dues
 - Value company commitment and loyalty
 - Believe in sacrifice for success

BABY BOOMERS (CONTINUED)**Benefits Information**

- Benefits packages must also be redesigned to appeal to boomers. Employers should expand employee assistance programs to address issues including child care, elder care, single-parent families, and sandwich families (boomers who are supporting both their children and their parents). Benefits will need to include financing of long-term custodial care, and medical benefits will need to expand and include protection from arbitrary managed-care decisions.²⁰
- For an employee in their early 50s, the first serious medical conditions tend to occur, such as high blood pressure, diabetes, clinical depression, or arthritis. Companies must be prepared to deal with these problems, particularly when budgeting for ergonomic issues. Additionally, companies must begin to develop ways to bring ill or injured workers back to work, commonly known as “return-to-work” programs.²¹

MATURE EMPLOYEES**Retention**

- Mature employees (also referred to as “veterans”) appreciate memorabilia such as plaques and trophies, pictures of themselves with people of significance and trips to elegant retreats (even when there is a seminar attendance attached).²²
- Certain messages and company cultures that veterans identify with include:²³
 - “Your experience is respected here.”
 - “It’s valuable to the rest of us to hear what has, and hasn’t, worked in the past.”
 - “Your perseverance is valued and will be rewarded.”
- Listed below are tips for motivating and encouraging mature employees:²⁴
 - Take time for the personal touch
 - Handwrite a note rather than e-mail
 - Allow them to chat and socialize between assigned tasks
 - Honor their hard work with plaques and other symbolic records of achievement

Pros and Cons of Mature Employees

- Mature employees, credited with starting today’s workplace, typically buy into the status quo and seem to possess a traditional sense of dedication to their company and job. They derive satisfaction from the intrinsic value of work rather than the meaning of work, favor obedience over individualism, and understand self-sacrifice and “making do.”^{25,26}
- Veterans value loyalty, formality, hard work, dependability, respect for authority, the position they hold, and praise and recognition. They believe in duty, honor, and country, and think that age means seniority and that people can work their way to the top. In short, they have built today’s workplace on a command and control environment.²⁷
- According to an *HR.com* global study, fewer mature workers opt for full-time work (31 percent). Instead, mature employees are more likely to seek more flexible situations, such as part-time work, self-employment, and consulting.²⁸

Definition: Mature Employees

Mature employees were born between 1909 and 1945. These individuals lived through the Great Depression and World War II and came of age during the Cold War, which is reflected in their understanding of what it’s like to “do without.”

Nancy Pekala, “Conquering the Generational Divide.”

Mature employees are typically honest and straightforward, but tactful. They rarely say anything purposefully rude or hurtful.

MATURE EMPLOYEES (CONTINUED)

- There are many misconceptions and “age stereotypes” about the mature worker that have traditionally prevented them from being accepted in the workplace. The table below presents these false myths and the actual realities.²⁹

Myth	Reality
<i>“Older workers cannot keep up”</i>	The advances of medical science and general standard of living have not only advanced life expectancy, but also extended the quality of life. The 60-year-old today is comparable to a 50-year-old of 15 years ago.
<i>“Older workers have more accidents and get sick more often”</i>	Mature employees have fewer on-the-job accidents, they are absent less for short-term illness, and have better attendance records. They are also much less likely to file compensation claims.
<i>“Older workers are inept with technology”</i>	No evidence supports the theory that older adults are less able to learn skills. Often what they lose in speed is gained in carefulness, experience, and wisdom.

Benefits Information

- A recent survey by *Drake Beam Morin* discovered that receiving a raise is a main motivator for just one percent of mature workers (defined as those over 65). As a result, HR professionals need to consider new performance incentives tailored to older workers. Rather than cash, new incentives could include opportunities to add vacation time, change work schedules, assist in personal development, etc.³⁰
- Additionally, any job that lacks significant health benefits will probably not appeal to older workers. While adding this benefit will contribute to the overall rise in companies' health insurance costs, some employers pay older workers 60 percent of their salary for 80 percent of their time, and use the difference to pay for health insurance.³¹
- Listed below are a few benefits that mature employees appreciate:³²
 - Health and wellness programs
 - Onsite gym facilities
 - Health club discounts
 - Age appropriate cafeteria menus and vending machine offerings
 - Flexible retirement arrangements (*i.e.* transitioning into retirement over time)
 - “Lifelong learning” themes by the training department
- A 2001 American Association of Retired People (AARP) study found that only 8 percent of mature survey respondents saw their employer as a source of support from which they would seek help. Experts recommend that employers broaden the scope of existing “life event” benefits so that they also speak to concerns of the mature worker. Examples of this include:³³
 - Employee Assistance Programs that are able respond to grief and also educate supervisors about normal grief processes and cultural aversion to death
 - Elder Care Resource and Referral programs that address aging and the increasing dependency of elders as family planning issues
 - Flexible schedules that accommodate those who need personal time

One of the most important benefits for mature employees is a flexible working environment; however, this segment also enjoys work environments that encourage age diversity.

- ¹ Corporate Leadership Council, *Leadership Development Programs for Generation X and Y Employees*, Washington: Corporate Executive Board (January 2002).
- ² Todd Corley, "Becoming an Employer of Choice for Generation X: The Elements of the Deal," *Journal of Career Planning and Employment* (July 1999). (Obtained from Factiva).
- ³ Corporate Leadership Council, *The Compelling Offer: Understanding the Career Decisions of Generation X* Washington: Corporate Executive Board (April 1999).
- ⁴ Marilyn Moats Kennedy, "The Extras Xers Want," *Across the Board* (June 1998). (Obtained through ProQuest).
- ⁵ Julia King, "All Work, No Play? Gen-Xers: No Way," *ComputerWorld* (5 May 1997). (Obtained from Factiva).
- ⁶ Author Unknown, "Tips for Managing Gen-Xers," *Workforce* (Date Unknown). (Obtained through <http://www.workforce.com>). [Accessed 10 February 2003].
- ⁷ Bruce Tulgan, "Managing Generation X," *HR Focus* (November 1995). (Obtained from Factiva).
- ⁸ Scott Hays, "Generation X and the Art of the Reward," *Workforce* (1 November 1999). (Obtained from Factiva).
- ⁹ Shari Caudon, "Can Generation Xers Be Trained?" *Training and Development* (March 1997). (Obtained from Factiva).
- ¹⁰ Author Unknown, "Tips for Managing Gen-Xers."
- ¹¹ Donna Brown Hogarty, "The Young and the Restless," *Working Woman* (July/August 1996). (Obtained from Lexis-Nexis, a division of Reed Elsevier, Incorporated).
- ¹² Larry Cambron, "Generation-Xers Thrive in Challenging Roles," *South China Morning Post* (22 June 2002). (Obtained from Factiva).
- ¹³ Pamela Prah, "Tomorrow's Workforce A Mix of Young, Old," *Kipling's Business Forecasts* (31 December 2001). (Obtained from Lexis-Nexis, a division of Reed Elsevier, Incorporated).
- ¹⁴ Corporate Leadership Council, *The Compelling Offer: Appendix E: Understanding the Career Decisions of Generation X* Washington: The Corporate Executive Board. (April 1999).
- ¹⁵ Joyce Cohen and Carol Anderson, "Life Planning: An Effective Model for Retirement Planning Education," *Unconventional Wisdom* (Date Unknown). (Obtained through <http://www.isrlp.org>). [Accessed on 10 February 2003].
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- ¹⁷ Alison Wellner, "Tapping a Silver Mine: Older Workers Represent a Wealth of Talent—But May Require Increased Flexibility from HR," *HR Magazine* (March 2002). (Obtained from Lexis-Nexis, a division of Reed-Elsevier, Inc.).
- ¹⁸ Author Unknown, "How to Nurture and Retain Baby Boomer Employees," *HR Focus* (November 2000). (Obtained through ProQuest).
- ¹⁹ Author Unknown, "Showdown at Generation Gap," *Corporate Report Wisconsin* (September 2000). (Obtained from Lexis-Nexis, a division of Reed Elsevier, Incorporated).
- ²⁰ Author Unknown, "How to Nurture and Retain Baby Boomer Employees."
- ²¹ Author Unknown, "How to Nurture and Retain Baby Boomer Employees."
- ²² Author Unknown, "How Veterans, Baby Boomers, Generation Xers and Generation Nexters Can All Get Along in The Workplace," www.commitment.com (29 January 2002). (Obtained through www.commitment.com). [Accessed on 10 February 2003].
- ²³ Marcela Kogan, "Talkin' Bout Four Generations," www.govexec.com (1 September 2001). (Obtained through www.govexec.com). [Accessed on 10 February 2003].
- ²⁴ Ron Zemke *et al.*, "Tips for Motivating Different Generations."
- ²⁵ Nancy Pekala, "Conquering the Generational Divide," *Journal of Property Management*, (November/December 2001). (Obtained through Proquest).
- ²⁶ Brenda Douville, "Generational Differences in the Workplace: Understanding Collective Peer Personalities," *Employee Assistance Professionals Association, Incorporated*, (September 2001). (Obtained through Lexis-Nexis).
- ²⁷ Brenda Douville, "Generational Differences in the Workplace: Understanding Collective Peer Personalities."
- ²⁸ Tom Silveri, "Managing a Multi-Generational Workforce: Tips for Leveraging the Labor Pool's Demographic Strengths," *HR.com* (Date Unknown). (Obtained through <http://www.hr.com>). [Accessed Feb 11 2003].
- ²⁹ Ellen Blizinski, "Ready, Aim, Communicate: Targeting the Mature Worker," *WorldAtWork Journal* (October 2001). (Obtained from Factiva).
- ³⁰ Alison Wellner, "Tapping a Silver Mine: Older Workers Represent a Wealth of Talent."
- ³¹ Alison Wellner, "Tapping a Silver Mine: Older Workers Represent a Wealth of Talent But May Require Increased Flexibility from HR."
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